

IOWA VERTICAL INFRASTRUCTURE ADVISORY COMMITTEE

**May 25, 2006
Meeting Minutes**

The Governor's Vertical Infrastructure Advisory Committee met at the Capitol Complex, Jessie Parker Building, Department of Corrections Director's Conference Room.

Call to Order and Introductions

Temporary Chair Tom Gillespie called the meeting to order at 10:12 AM and asked all present to introduce themselves. Committee members Dennis Bennett, Mary Krier and Les Holland were also in attendance. Dan Prymek was not able to participate. Staff members in attendance included Dean Ibsen and Carol Frank from the Department of Administrative Services.

Others in attendance for all or a portion of the meeting included:

Mollie Anderson, Department of Administrative Services (conference call)
Shane Antle, Department of Public Safety
Lailani Arcia, A.T. Kearney
John Baldwin, Department of Corrections
Gary Coleman, Department of Human Services, Independence Mental Health Institute
Max Cupp, Department of Human Services, Glenwood Resource Center (conference call)
Bill Curler, Iowa Veterans Home
Pat Deluhery, Department of Administrative Services
Steve Howser, Department of Human Services, Glenwood Resource Center (conference call)
Kevin Jimmerson, Department of Human Services, Independence Mental Health Institute
Karalyn Kuhns, Department of Human Services
Dan Lane, Department of Natural Resources, State of Iowa Facilities Improvement Corporation
Eddie Sauls, Iowa Workforce Development
Mark Willemssen, Legislative Branch
Chris Windfelder, A.T. Kearney
Sharon Worthington, Department of Education, Iowa Vocational Rehabilitation Services

Questions and Comments from Committee Members

There were none.

Staff Reports

Dean Ibsen said he did not have any specific staff issues to report, but said he would entertain questions. There were none. He also reported that Mollie Anderson would join the meeting by phone at 10:30 with a legislative update.

Strategic Sourcing: Chris Windfelder of A.T. Kearney introduced Lailani Arcia, who is also part of the A.T. Kearney team. He said he will soon schedule a meeting with the roofing evaluation team so that those projects can move forward. He is also working on three other initiatives:

- He and three Design & Construction project managers are developing a Request for Proposal for master architectural/engineering consulting services.
- With Craig Deichmann of Design & Construction and Randy Stapp of Purchasing he is working on a Request for Bids for building automation and life safety parts and services.
- Carol Frank of Design and Construction and Iowa Workforce Development staff are working with him on possible renegotiation of existing an environmental assessment services contract in conjunction with asbestos abatement work at 1000 E. Grand Ave.

Consideration of Special Major Maintenance Requests

Adjustment in Funding for Electrical Distribution Project, Iowa State Penitentiary, Fort Madison: Dean Ibsen reported that recent spikes in electrical wiring costs prompted DAS, in cooperation with DOC, to purchase approximately \$1.2 million in wiring for the Fort Madison Electrical Project. Funds were once again reallocated from the Anamosa electrical project as well as from unallocated funds, with the understanding that the FY2007 allocation of funds for Fort Madison will be reduced to balance out the funding. A report of emergency procurement was prepared because of the volatility in costs. As an example, one bidder's price was good only until 4 p.m. of the date bids were received. Ibsen requested concurrence from the committee on this action.

Les Holland reminded the committee members that they had previously recommended that staff make adjustments such as this as deemed appropriate between committee meetings and without a formal committee recommendation, when deemed necessary. Tom Gillespie said he would entertain a motion to concur with this adjustment made by staff. Les Holland moved the committee ratify the adjustments made by the staff. Dennis Bennett seconded. Motion carried unanimously.

Septic System Replacement for State Patrol Post #3 in Council Bluffs: Shane Antle, Public Safety, reported that the waterproofing contractor working at the site damaged some of the leach lines of the existing septic system. Other lines had become blocked so that the system is not operational. While the contractor is willing to pay for repair of the damaged lines or for some pumping, the City of Council Bluffs is requiring full replacement of the system because it does not meet current codes. Antle said he does not believe the waterproofing contractor can be held liable for full replacement of the system. While cost estimates for replacement have ranged from \$30,000 to \$60,000 it is expected that the replacement work can be completed for \$45,000 over the next 3 to 4 months.

Mary Krier said that in southeast Iowa the Dept. of Natural Resources provides funds for replacement of antiquated septic systems. Dan Lane said there is a state revolving fund that might be available for this. Karalyn Kuhns said that Human Services was unable to enter into an agreement with DNR for these funds.

Mary Krier moved the committee recommend approval of the request. Dennis Bennett seconded. Les Holland offered a friendly amendment to ask staff to return to the committee if the costs exceed \$45,000. He reminded the committee that \$45,000 is an estimate and that costs could range between \$30 and \$60,000. The amendment was accepted by Krier. Motion carried unanimously. Shane Antle said he would follow up on possible funding with DNR.

Sewer Line Repairs for Independence Mental Health Institute: Kevin Jimmerson reported that they have been having more trouble with approximately 1,000 feet of sewer line in front of the Reynolds Building on the campus. He said the situation needs to be remedied as it has gotten progressively worse to the point that there is now sewer water standing in spots on the front lawn. Repair costs are estimated at between \$14,000 and \$18,000 to complete the repairs. This includes boring under the street with the line so as not to tear up the drive. Jimmerson said that Independence has been requesting major maintenance funds to relocate this sewer line for the past few years. Jimmerson said the institution receives \$118 to \$120,000 per year in routine maintenance funds and those funds are already committed. He said if the line can be repaired now, relocation of the line can be deferred for several years.

Dean Ibsen said the project was ranked 75 last year with \$50,000 recommended for FY2008 funding. He said this request would move the project to FY2006 or earlier funding, change the request to repair rather than replacement and reduce the funding to \$18,000.

Les Holland moved the committee recommend approval of the request. Mary Krier seconded. Motion carried unanimously.

Adjustment in Funding for Capitol Window Repairs, Capitol Complex: Dean Ibsen reported that this project received FY2007 major maintenance funding totaling \$295,769 last year and it was ranked 39.

The legislature authorized a portion of the Capitol Interior and Exterior appropriation for FY2007 to be used for the window repairs. This request would reduce the major maintenance appropriation to only \$12,500, but would make the funding available immediately so that preparation of plans and specifications can begin before July 1 and the actual repair work can begin shortly after July 1. The work is expected to span two construction seasons.

Mary Krier moved the committee recommend approval of the request. Dennis Bennett seconded. Motion carried unanimously.

Staff Reports (continued)

Update from Mollie Anderson: Mollie Anderson first said she appreciated the hard work of the committee. She reported that the infrastructure bill has not been signed by the Governor, but is expected to be signed next week. She expects there will be funding for the West Capitol Terrace, including a provision for the funding to be available upon enactment. Demolition work on the existing parking lots should begin soon after the Yankee Doodle Pops Concert on June 30, possibly with a ground-breaking ceremony on the 30th. The goal is to complete as much of phase 1 as possible in time for the HyVee Triathlon on June 17, 2007. The infrastructure bill includes \$500,000 for procurement of buildings, and while this is not enough to buy the three buildings on the west side of the West Capitol Terrace site, work is underway to find an acquisition solution.

She said there has been some disagreement about whether there should be a new Iowa Utilities Board building, but planning is beginning for the new state office building, and more discussions were held last week with the Capitol Planning Commission on possible sites. There is a requirement for a return on investment analysis for both buildings.

She once again thanked the committee members for their support of the capital requests, including the recommendation to demolish the Wallace Building, and their support of major maintenance and routine maintenance funding. She said that any advice they can offer will be appreciated. She said that Design and Construction will have a full plate.

Approval of Minutes of Previous Meetings

Mary Krier moved for approval of the minutes of the April 13, 2006 meeting. Dennis Bennett seconded. Motion carried.

Les Holland moved for approval of the minutes of the May 11, 2006 meeting. Dennis Bennett seconded. Motion carried. It was noted that in the May minutes Sally Titus-Cunningham should be identified as Sally Titus.

Discussion of Prioritization of FY2007 Major Maintenance Project Requests

Dean Ibsen provided an overview of the draft rankings of the FY2007 major maintenance project requests. He said the spreadsheet that has been distributed includes all major maintenance requests received last year AND this year for FY2006 through FY2009 major maintenance funds. He said this is the first attempt at ranking the projects and allocating the approximately \$98 million in funds that are expected to be available over this four year period.

He offered a brief explanation of what has been done so far:

- All requests received and ranked last May are included in rank order as of June 2005, along with the funds allocated at that time. Projects deemed not appropriate for major maintenance funding at that time are not included. Additional adjustments made during the course of the year are not yet reflected. In the column labeled "Year of Request" they are listed as FY06.
- All projects received this year are included and in the column labeled "Year of Request" they are listed as FY07. If these requests duplicate or supplement a request received last year they have been "paired" in the rankings under the column labeled "FY07 Draft Rank." If additional funding is requested for additional phases, funding is allocated in out years to supplement the funds already

allocated. If the request appears to duplicate the funding already allocated last year, no additional funding is included. See the column labeled "FY2007 Comments" for additional clarification. For example, if a project requested last year for Phase 3 was ranked "5," the same project requested this year for Phase 4 will be ranked "5.5" and the additional funding will be allocated in the years following last year's allocations.

- New projects have been categorized in blocks; for example, all new asbestos requests and other critical health, life safety requests are ranked "200;" all new electrical and related health/life safety requests are ranked "205," and all new roofing requests are ranked "210." These projects have been funded in years where funding is available, generally beginning in FY2008. Further funding adjustments will be required if work is to proceed sooner on some or all of these projects.
- Projects ranked "300" and beyond are simply ranked by agency and in the agency's priorities. Funding is designated for FY2009, so further ranking will be required.
 - 300: Remaining New Human Services Requests in Agency Ranked Order
 - 400: Remaining New Corrections Requests in Agency Ranked Order
 - 500: Remaining New Admin. Services Requests in Agency Ranked Order
 - 600: Remaining New in Commerce Requests in Agency Ranked Order
 - 700: Remaining New ILEA Requests in Agency Ranked Order
 - 710: Remaining New Terrace Hill Requests in Agency Ranked Order
 - 720: Remaining New Veterans Affairs Requests in Agency Ranked Order
 - 800: Remaining New IWD Requests in Agency Ranked Order
- Projects ranked "7777" are demolition requests, and no funding has been allocated. Further discussion is required.
- Projects ranked "8888" are ADA projects and no funding has been allocated.
- Projects ranked "9999" are probably not eligible for major maintenance money.

Ibsen said that total funds available and proposed allocations are summarized on the last page and do not yet balance. He said that estimates have been made for project management costs and the ADA allocations have been based on 4% of the total appropriations as in previous years. He said the allocation proposed for monuments could include funding for restoration of the statues at the top of the Soldiers and Sailors Monument and for restoration work at cemeteries at the mental health institutes. He said he will be looking for feedback from the committee and from agencies and institutions. He proposed further discussion at the June meeting and finalization of the rankings and funding at the July meeting.

Dennis Bennett asked if consideration had been given to setting aside a contingency fund that would allow for inflation and for other unknowns such as the cost of electrical wiring. Dean Ibsen explained that prior to the establishment of the Vertical Infrastructure Committee, funds would be allocated between the large agencies—DOC, DHS, DGS (General Services) and IVH—and each agency would then determine how to allocate funds. Often agencies would choose not to expend the funds immediately, but instead wait until enough funds had accumulated so that particular projects could be fully funded. Karalyn Kuhns confirmed that DHS took this approach. Ibsen said that when procedures for allocation of funds through the Vertical Infrastructure Program were first established, it was decided to allocate all funds to projects, with no contingencies, and to address additional funding needs throughout the year. Les Holland pointed out that this is described in the committee's procedures. He said he likes the idea of allocating all funds. Tom Gillespie said he, too, likes the concept of allocating all funds. Sharon Worthington suggested that project requests may already include a contingency factor.

Dennis Bennett asked if the project requests include inflation factors. Ibsen said that they may, but that an institution probably would not know how much to include for a project submitted this year when it may not be funded until FY2009. Bennett suggested adding an inflation factor for FY2008 and FY2009 projects, possibly tied to an inflation index.

Dean Ibsen said that he has already received some comments about the draft rankings. He reported that Dave Cordes of Terrace Hill requested closer consideration of the pump replacement request. Bill Curler said that the elevator requests from the Iowa Veterans Home need to be moved up on the list. He said that the elevators at Dack and Malloy are particularly critical because they serve 500 residents as well as

food carts and freight. Ibsen said we could look at the elevators in June. Karalyn Kuhns said that the Mount Pleasant sprinkler system project is a high priority.

Dean Ibsen proposed to re-evaluate the rankings with additional feedback that may come in from agencies and institutions and by moving up in priority the 200 series projects, the IVH elevators, the Terrace Hill pump and the Mount Pleasant sprinkler system. He said he will review project groupings, such as roofs, and add an overall inflation factor to the FY2008 and FY2009 allocations.

Other Business

Questions and Comments: Les Holland asked about the status of the committee's recommendation on a feasibility study for the four state mental health institutes. Karalyn Kuhns commented that closure of facilities is a legislative issue. She said that many task forces have studied this issue with a variety of conclusions in the past. She said that DHS has looked at this issue as part of its mental health redesign process and is an ongoing discussion. Les Holland suggested that we may be better off with some new facilities.

On a related issue, John Baldwin said that DOC has received \$500,000 to look at how DOC uses its facilities. He said this process may offer some insights and he will keep the advisory committee informed.

Next Meeting: The next meeting is scheduled for June 8 at the Iowa Veterans Home. The committee agreed to meet from 9 a.m. to 3 p.m. to allow time to review routine and major maintenance definitions and procedures.

Adjourn

The meeting adjourned at approximately 1:45 p.m.